

State of California  
Department of Water Resources  
State Water Resources Control Board  
Department of Health Services

**2002 RECYCLED WATER TASK FORCE**

**ECONOMICS WORKGROUP  
MINUTES OF 24 SEPTEMBER 2002 MEETING**

**MEETING TIME AND LOCATION**

Tuesday 24 September 2002, 9:30 AM – 1:00 PM, Room 1610, Cal/EPA Building, 1001 I Street, Sacramento, California. Some of the participants joined the meeting by phone.

**ATTENDANCE**

Fethi BenJemaa	Department of Water Resources
Martha Davis*	Inland Empire Utilities Agency
Bill Jacoby	San Diego County Water Authority
Fawzi Karajeh	Department of Water Resources
Nancy Lee	State Water Resources Control Board
Ron Linsky	National Water Research Institute
Rick Martin	United States Bureau of Reclamation
Rich Mills	State Water Resources Control Board
John T. Morris	Metropolitan Water District of Southern California
Kiergan Pegg	Sonoma County Water Agency

(\*by telephone)

**SUMMARY OF PROCEEDINGS**

Welcome and Introduction/Approval of Minutes

The meeting was opened by a brief self-introduction by all the attendees. Thereafter, the Chair, John Morris, and Co-chair, Nancy Lee, conducted the meeting following a preset agenda (a copy is attached) starting with a discussion of the 27 August Meeting Minutes, specifically the Workgroup Purpose and Objectives. The Purpose and Objective was amended to read:

The main charge of the workgroup is to ~~develop guidelines (in lieu of criteria) for assessing the direct and indirect costs and benefits of water recycling; identify economic impediments to enhancing water recycling statewide; and to make recommendations for mitigating economic impediments.~~ Members of the Workgroup outlined that from an economic point of view, the lack of guidebook that lays out the proper process and mechanism for a comprehensive economic

~~analysis of recycled water projects constitutes an impediment to advancing the use of recycled water.~~

The Issues of Concern section of the 27 August Meeting Minutes was amended with the addition of the following bullet items:

- Recommend that guidance be developed to frame the proper process and mechanism for a comprehensive economic analysis of recycled water projects because the lack of such guidance constitutes an impediment to advancing the use of recycled water statewide.

The Issues of Concern section of the 27 August Meeting Minutes was further amended with the following change in the second bullet items:

- Establish guidelines on funding equity (who benefits pays, especially when there are multiple beneficiaries) and identify all the beneficiaries so as to alleviate locals from bearing all the costs whereas benefits often accrue statewide.

#### Review of Discussions Related to Economics from September 12<sup>th</sup> Task Force Meeting

Discussion concluded that the Workgroup must be sure to link discussion of economic concepts with issues significant to reducing economic impediments to developing recycled water.

#### Collaboration with Funding and CalFed Coordination Workgroup

The Workgroup reviewed the draft outline for the Funding and CalFed Coordination Workgroup's White Paper for areas where work and issues may overlap. It was decided to invite Diana Robles, Co-chair of the Funding and CalFed Coordination Workgroup, and Tom Gohring, member of the Funding and CalFed Coordination Workgroup, to our next meeting so the two workgroups can exchange information and ideas regarding the respective White Papers.

Nancy Lee will invite Diana Robles and Tom Gohring.

#### Discussion of Working Drafts of Issue Papers

Mark Tettemer had provided comments to the 8/28/02 draft outline of the White Paper. The comments were discussed and changes to the outline were made. See the attached revised outline. John Morris suggested we and other workgroups should check the Water Recycling 2000 publication to reduce duplication and for starting points.

Each issue paper lead provided a summary of the progress of their portion of the White Paper. Rich Mills (Background and Foundational Information) and Nancy Lee (Review of Previous Work in Recycled Water Economics) reported they had not made significant progress towards a draft. Ron Linsky provided a case study draft for the Groundwater Replenishment System. Bill Jacoby provided a draft for the Equity of Recycled Water Funding and Sharing Benefits section.

#### Action Items:

- Workgroup to review all drafts and provide comments via email to the group.

- Ron Linsky and John Morris to look into relevant case studies from the Metropolitan Water District of Southern California and Kiergan Pegg of the Sonoma County Water Agency. Also contact Bill Steele and Wendy Illingworth for examples.
- Rich Mills and Nancy Lee to continue work on their issue papers.

#### Public Comments

There were no public comments.

#### Agenda Items for Next Meeting

Next meeting date changed from October 29, 2002 to November 1, 2002 at 9:30 a.m. to 12:00 p.m. in Sacramento.

**Meeting Agenda  
2002 Recycled Water Task Force  
Economics Workgroup  
Tuesday September 24, 2002, 9:30 a.m. to 11:30 p.m.  
Cal/EPA Building, Room 1610  
1001 I Street, Sacramento, CA 95814**

<b>Time</b>	<b>Topic</b>	<b>Facilitator</b>
9:30 a.m. – 9:40 a.m.	Welcome and Introductions Approval of August 27, 2002 Meeting Minutes	John Morris
9:40 a.m. – 9:50 a.m.	Review of Discussions Related to Economics from September 12 <sup>th</sup> Task Force Meeting	John Morris
9:50 a.m. – 10:00 a.m.	Collaboration with Funding / CalFed Coordination Workgroup	Nancy Lee
10:00 a.m. – 11:15 a.m.	Discussion of Working Drafts of Issue Papers Background and Foundational Information Review of Previous Work in Recycled Water Economics Case Studies Equity of Recycled Water Funding and Sharing Benefits	Issue Paper Leads
11:15 a.m. – 11:25 a.m.	Public Comments	John Morris
11:25 a.m. – 11:30 a.m.	Agenda Items for Next Meeting and Adjourn	Nancy Lee